Grantor: Denali Commission

510 "L" Street, Suite 410

Anchorage, Alaska 99501

Grantee: City of Klawock

P.O.Box 469 Klawock, Alaska

99925

Project Name: 3.5-Mile Creek Water Source

Project Number: 0002-DC1999-ED1

Accounting Code: 95X1200 95870000 95-67

Project Officers: Joel Neimeyer

Donna J. Williams

Grantor

Grantee

PROGRESS REPORT

Quarter Dates 7-1/ 9-30-02

A. Project Status

Have received draft hydrology and geology reports. Final reports expected in October 2002.

B. Project on schedule.

YES

NO

C. Project on budget. D. Project problems.

YES YES

NO NO

If so, planned action to address problems:

Working closely with ANTHC to bring CE2 to contract completion.

City of Klawock

9-30-02

Donna J. Williams, Mayor

Date